

Decision 02-03-049 March 21, 2002

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

In the Matter of the Application of Williams Communications, LLC (U-6146-C), a Delaware Limited Liability Company and Roseville Telephone Company, d/b/a SureWest Broadband (U-1015-C), a California Corporation for Authority to Transfer Interests in Utility Property, Pursuant to the Provisions of Section 851 of the Public Utilities Code of the State of California.

Application 02-01-037  
(Filed January 30, 2002)

**O P I N I O N**

**Summary**

This decision grants the joint application of Williams Communications, LLC (Williams) and Roseville Telephone Company d/b/a SureWest Broadband (Roseville), for approval for Roseville to acquire specified assets of Williams.

**Parties to the Transaction**

Williams is a Delaware limited liability company authorized to do business in California. Its principal place of business is One Technology Center, Tulsa, Oklahoma 74103. By Decision (D.) 99-05-022 and D.99-10-062, Williams was granted authority to operate in California as a facilities-based interexchange carrier.

Roseville is an incumbent local exchange carrier, and a competitive local exchange carrier.<sup>1</sup> Its principal place of business is located at 211 Lincoln Street, Roseville, California 95678.

### **Proposed Transaction**

Williams proposes to sell to Roseville approximately 20 miles of fiber optic conduits contained in Williams' existing multiple conduit fiber optic system running from Davis, California to Sacramento, California (route), and associated rights. As a result of the sale, Roseville will obtain a non-exclusive right to occupy with Williams the right-of-way along the route for the sole purpose of maintaining and operating its commercial telecommunications system. To protect the integrity of Williams' system, Roseville will be granted access to the conduits only through specified access facilities constructed by Williams. Some portions of the route lie within rights-of-way owned by the Union Pacific Railroad (UPRR). UPRR has granted to Williams the property rights necessary for Williams' occupancy of the UPRR rights-of-way. Roseville will have to obtain the necessary authorizations from UPRR for its occupancy of the UPRR rights-of-way. If Roseville cannot do so, it will re-convey the conduit segments occupying the UPRR rights-of-way to Williams. Williams and Roseville will then enter into an agreement granting Roseville an indefeasible right of use in the conduit segments occupying the UPRR rights-of-way. Williams and Roseville

---

<sup>1</sup> By D.98-06-067, Roseville was authorized to provide facilities-based competitive local exchange services in the territories of Pacific Bell, Verizon California, Inc., and Citizens Telecommunications Company of California, Inc., and facilities-based interexchange services statewide.

will obtain any necessary regulatory approvals prior to consummating the transactions.

The applicants say that the proposed transaction will enable Roseville to expand its network to provide CLC service in the Davis/Sacramento area. The transaction will allow Williams to make productive use of its existing facilities, and obtain needed capital.

### **Discussion**

Public Utilities Code Section 851 requires Commission authorization before a company may sell any part of its property that is “necessary or useful in the performance of its duties to the public... .” The purpose of this section is to enable the Commission, before any sale of public utility property is consummated, to review the situation and to take such action as the public interest may require.

The proposed transaction will enable Roseville to expand its network to provide CLC service in the Davis/ Sacramento area. In addition, it will allow Williams to make productive use of its existing facilities, and obtain needed capital. Therefore, the proposed transaction is not adverse to the public interest.

This order should be effective immediately so that Roseville can expand its network, and Williams can obtain needed capital.

The applicants will have to obtain the Commission’s approval for any subsequent re-conveyance. We do not address any such re-conveyance herein.

### **Request to File Under Seal**

The applicants request that the information filed with the application be filed under seal. The information consists of an unredacted copy of the sale agreement containing the purchase price. The applicants represent that the information is proprietary and sensitive. The information, if revealed, would

place the applicants at an unfair business disadvantage. We have granted similar requests in the past and will do so here.

### **Procedural Matters**

In Resolution ALJ 176-3081, dated February 7, 2002, the Commission preliminarily categorized this application as ratesetting, and preliminarily determined that hearings were not necessary. No protests have been received. Therefore, a public hearing is not necessary, and it is not necessary to alter the preliminary determinations.

This is an uncontested matter in which the decision grants the requested relief. Therefore, pursuant to Section 311(g)(2) of the Public Utilities Code, the otherwise applicable 30-day period for public review and comment is being waived.

### **Findings of Fact**

1. Williams is authorized to operate in California as a facilities-based provider of interexchange services.
2. Roseville is an incumbent local exchange service provider, and a facilities-based competitive local exchange carrier.
3. As a result of the proposed sale, Roseville will obtain a non-exclusive right to occupy 20 miles of fiber optic conduits contained in Williams' existing multiple conduit fiber optic system for the sole purpose of maintaining and operating its commercial telecommunications system.
4. Roseville will be granted access to the conduits only through specified access facilities constructed by Williams.
5. The proposed transaction will enable Roseville to expand its network to provide CLC service in the Davis/Sacramento area.

6. The proposed transaction will allow Williams to make productive use of its existing facilities, and obtain needed capital.

7. Notice of this application appeared on the Commission's Daily Calendar on January 25, 2002.

8. There were no protests to this application.

9. No hearings are necessary.

10. Public disclosure of the information filed under seal would place the applicants at an unfair business disadvantage.

### **Conclusions of Law**

1. The proposed transaction is not adverse to the public interest.
2. The applicants' request to file information under seal should be granted.
3. This order should be effective immediately so that Roseville can expand its network, and Williams can obtain needed capital.

## **O R D E R**

### **IT IS ORDERED** that:

1. Pursuant to Public Utilities Code Section 851, the joint application of Williams Communications, LLC (Williams) and Roseville Telephone Company d/b/a SureWest Broadband (Roseville), for approval for Roseville to acquire specified assets of Williams is approved.

2. The applicants' request to have the information filed with the application kept under seal is granted for two years from the effective date of this decision. During that period the information shall not be made accessible or disclosed to anyone other than the Commission staff except on the further order or ruling of the Commission, the Assigned Commissioner, the assigned Administrative Law Judge (ALJ), or the ALJ then designated as Law and Motion Judge.

3. If the applicants believe that further protection of the information kept under seal is needed, they may file a motion stating the justification for further withholding of the information from public inspection, or for such other relief as the Commission rules may then provide. This motion shall be filed no later than one month before the expiration date.

4. This application is closed.

This order is effective today.

Dated March 21, 2002, at San Francisco, California.

LORETTA M. LYNCH  
President  
HENRY M. DUQUE  
CARL W. WOOD  
GEOFFREY F. BROWN  
MICHAEL R. PEEVEY  
Commissioners